

Message Text

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SUBJECT: BIOGRAPHIC REPORTING FOR ENERGY CONFERENCE: PER KLEPPE
(NORWAY)

REF: STATE 13742

1. PER KLEPPE, MINISTER OF FINANCE, IS ONE OF THE LABOR PARTY AND GOVERNMENT'S DOMINANT INTELLECTUAL AND POLICY-DEVELOPING FIGURES IN THE ECONOMIC AND FINANCIAL FIELD, PERHAPS SECOND ONLY TO PRIME MINISTER BRATTELI. (KLEPPE WAS BRATTELI'S UNDER SECRETARY IN THE FINANCE MINISTRY 1957-62.) THE BIOGRAPHIC HANDBOOK THOROUGHLY DESCRIBES HIS CAREER THROUGH SEPTEMBER 1972.

2. WHEN THE BRATTELI GOVERNMENT FELL IN OCTOBER 1972, KLEPPE RETURNED TO HIS FORMER POSITION AS HEAD OF THE LABOR MOVEMENT'S RESEARCH OFFICE (INACCURATELY CALLED INFORMATION OFFICE IN THE BIOGRAPHIC HANDBOOK), WHICH DEVELOPS INFORMATION AND POLICY, PARTICULARLY ECONOMIC AND SOCIAL POLICY, FOR THE LABOR PARTY AND TRADE UNION FEDERATION (LO) WHEN THE FORMER IS OUT OF OFFICE AND CANNOT USE THE RESOURCES OF THE GOVERNMENT MINISTRIES. AS SUCH, HE HAS PLAYED A KEY ROLE IN DEVELOPING NORWAY'S "GO SLOW" APPROACH TO OIL EXPLORATION AND DEVELOPMENT, DESIGNED TO AVOID UPSETTING NORWAY'S CAREFULLY PLANNED AND BALANCED ECONOMIC DEVELOPMENT, WITH
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ITS FULL EMPLOYMENT, TIGHT LABOR MARKET AND CONSTANT DANGER OF

EXCESSIVE INFLATION. KLEPPE IS BELIEVED TO EXERCISE A STRONG INFLUENCE IN THE DIRECTION OF SLOWER DEVELOPMENT OF OIL, GREATER STATE CONTROL AND RESERVING A LARGER SHARE OF ACTUAL DEVELOPMENT. THROUGH IT, NORWAY TRIES TO RETAIN POPULATION AND ACTIVITY IN OUTLYING AREAS AND TO AVOID SWELLING POPULATION AND OTHER PRESSURES IN OSLO AND OTHER RELATIVELY HIGH-DENSITY AREAS. CONCERN FOR THIS ASPECT OF NORWEGIAN POLICY WOULD ALSO MOTIVATE KLEPPE TO ADVOCATE SLOW, CAREFULLY CONTROLLED AND STATE-DIRECTED OIL EXPLORATION AND PRODUCTION.

3. LIKE BRATTELI, KLEPPE IS CONSIDERED SHY, WITHDRAWN AND INTROVERTED, BUT HE IS SAID TO LACK BRATTELI'S WARM HUMAN TOUCH AND POLITICAL SKILL. REPORTEDLY, HE IS NOT OVERLY POPULAR IN LABOR PARTY AND TRADE UNION CIRCLES, BEING KNOWN FOR A COLD AND INTELLECTUALLY ARROGANT MANNER. ALTHOUGH SAID TO BE SHY AND SOMETIMES INARTICULATE, HE IS KNOWN TO BE STRONGLY SELF CONFIDENT WHEN IT COMES TO HIS KNOWLEDGE AND ABILITIES IN THE ECONOMIC POLICY FIELD. ALTHOUGH PROBABLY NOT IN THE VERY TOP RANK OF NORWAY'S THEORETICAL ECONOMISTS, HE IS PROBABLY THE LEADING ECONOMIST AMONG ACTIVE POLITICIANS.

4. KLEPPE IS NOT BELIEVED TO BE PARTICULARLY ACTIVE IN THE POLITICAL ASPECTS OF FOREIGN POLICY AT PRESENT, ALTHOUGH HE IS KNOWN TO PARTICIPATE ACTIVELY IN CONSIDERATION OF MATTERS OUTSIDE HIS OWN SPECIAL FIELD WHICH COME BEFORE THE CABINET OR PARTY ORGANS. AS A LABOR PARTY YOUTH LEADER IN HIS YOUNGER DAYS HE WAS ACTIVELY PRO-NATO AND HE IS STILL BELIEVED TO HAVE A POSITIVE ATTITUDE TOWARD THE UNITED STATES. HE IS ALSO A STRONG ADVOCATE OF NORWEGIAN AID TO UNDERDEVELOPED COUNTRIES.

5. KLEPPE HAS PLAYED A VERY ACTIVE ROLE IN INTERNATIONAL ECONOMIC POLICY. AFTER FOUR YEARS HEADING EFTA'S SECRETARIAT'S ECONOMIC SECTION, HE RETURNED TO NORWAY IN 1967 TO DIRECT THE LABOR MOVEMENT RESEARCH OFFICE, WHERE HE HELPED LAY THE FOUNDATION FOR NORWAY'S EFFORT TO ENTER THE COMMON MARKET. AS COMMERCE AND SHIPPING MINISTER IN THE FIRST BRATTELI GOVERNMENT, HE DIRECTED AND PARTICIPATED IN THE NEGOTIATIONS WITH THE COMMON MARKET, CONCLUDING IN THE AGREEMENT FOR NORWEGIAN MEMBERSHIP WHICH WAS DEFEATED IN A POPULAR REFERENDUM IN OCTOBER 1972, CAUSING THE BRATTELI GOVERNMENT TO RESIGN.

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6. IN THE DOMESTIC POLITICAL SPECTRUM, KLEPPE IS CONSIDERED A MEMBER OF THE MODERATE, SOCIAL-DEMOCRATIC CENTER OF THE LABOR PARTY. IN ECONOMIC POLICY HIS COMMITMENT TO STRONG STATE DIRECTION AND CONTROL WOULD PLACE HIM SOMEWHAT TO THE LEFT OF SOME OF THE LABOR PARTY ECONOMIC EXPERTS IN WHAT MIGHT BE CONSIDERED THE PARTY'S RIGHT WING, BUT STILL WELL WITHIN THE CENTER. BYRNE

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